

April 24, 2006

Preston Black  
Director  
Office of Legal Affairs  
Indiana State Department of Health

Dear Mr. Black:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation (“IEDC”) has reviewed the economic impact analysis associated with Rule 410 IAC 17 proposed by the Indiana State Department of Health (ISDH). The proposed rule increases the annual home health aide licensing fee from \$100 to \$250. This increase was provided for under HEA 1098 (2005), which allowed an increase in licensing fees to offset an increase in administrative costs to ISDH associated with new home health agencies entering the system. The rule also allows home health agencies providing services that do not require a physician’s authorization to operate under a nurse-directed plan of care, rather than having to obtain a physician’s approval. This provision helps promote proper oversight of services (i.e., through a nurse-directed plan) without imposing the significant additional burden of obtaining a physician’s approval for the plan of care.

The incremental fiscal impact to affected providers associated with this rule consists of an initial set up fee of \$120 [8 hours X \$15/hour] for new documentation forms. There is also a recurring fee of \$150 (amount of fee increase) for annual licensing. The ISDH licenses 249 home health agencies, resulting in a statewide industry impact of \$37,350 after the first year.

Although the impact statement does not indicate how many of the regulated entities may be classified as small businesses, the total impact associated with the rule appears reasonable based on the need to cover ISDH’s costs in carrying out its statutorily required duties and ensuring quality service in the industry. Additionally, the provision allowing for nurse-directed plans of care offers increased flexibility and the potential for significant cost savings for home health agencies providing services that do not require a physician’s authorization. The IEDC does not object to the fiscal impact of the provisions in this rule.

If you have any questions about the comments contained herein please contact me at 232-8962 or [rasberry@iedc.in.gov](mailto:rasberry@iedc.in.gov).

Regards,

Ryan Asberry  
Director – Research  
Indiana Economic Development Corporation